

State of Alaska FY2010 Governor's Operating Budget

Department of Environmental Conservation Spill Prevention and Response Director Component Budget Summary

Component: Spill Prevention and Response Director

Contribution to Department's Mission

Protect public safety, public health and the environment through prevention, preparedness and cleanup of oil and hazardous substance releases.

Core Services

- Manage Division resources to protect public health and the environment through safe handling of oil and cleanup of oil and hazardous substance releases.
- Manage the Oil and Hazardous Substance Release Prevention and Response Fund.
- Coordinate state spill prevention and response programs with state and federal agencies, industry and nongovernmental organizations.
- Implement state spill prevention and response programs to ensure the safe handling of oil through prevention, preparedness and response using a risk-based approach.

Major Activities to Advance Strategies

- Manage Division resources to ensure response, removal and remediation of oil and hazardous substance releases.
- Implement a risk-based decision making process to ensure that division resources are directed to the highest priority division needs.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$267,700

Personnel:

Full time	2
Part time	0
Total	2

Key Component Challenges

Three programs in the division implement a wide array of interrelated activities to meet the division goals for prevention preparedness and response. The programs include the Prevention and Emergency Response Program, Industry Preparedness and Pipeline Operations and the Contaminated Sites Program. These programs are designed to meet the department's statutory obligation to protect public safety, public health and the environment while fostering economic growth and resource development through rational, unambiguous, predictable and integrated regulatory requirements.

Revenues to the Prevention Account of the Oil and Hazardous Substance Release Prevention and Response Fund come from a combination of cost recovery, fines, penalties, settlements, investment income, and a 4-cent per barrel conservation surcharge on crude oil production. In recent years, revenues have been declining due to a number of factors, including a reduction in crude oil production from a peak of 2 million barrels per day to less than 800,000 barrels per day.

Other challenges include conducting a comprehensive baseline risk assessment of Alaska's crude oil infrastructure including production, storage, transportation systems, the Trans Alaska Pipeline and Valdez Marine Terminal which will begin in FY 2008. The system wide risk assessment will evaluate the safety, environmental and operational risk

associated with the system and reliability of the existing infrastructure. The risk assessment will also evaluate mitigation measures for continued safe and reliable operation of the system.

New state regulations for flowlines are being phased in under a new compliance inspection program. Flowlines include all oil-containing pipelines upstream of separation facilities, including multi-phase and produced water pipelines. Compliance oversight for the new regulations will involve development of field inspection strategies and a compliance inspection program.

Significant Changes in Results to be Delivered in FY2010

None.

Major Component Accomplishments in 2008

- Initiated implementation of a risk assessment for Alaska's oil and gas infrastructure.
- Successfully responded to 29 significant spills.
- Conducted assessment, cleanup, monitoring or oversight at over 2,902 contaminated sites in Alaska.
- Closed or conditionally closed 312 contaminated sites in Alaska.
- Conducted 58 inspections of regulated facilities, evaluated 46 oil spill exercises and participated in 30 spill drills.

Statutory and Regulatory Authority

AS 46.03, AS 46.04, AS 46.08, AS 46.09, 18 AAC 75, 18 AAC 78.

Contact Information
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**Spill Prevention and Response Director
Component Financial Summary**

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	218.9	215.6	218.7
72000 Travel	23.6	18.8	18.8
73000 Services	17.1	28.7	28.7
74000 Commodities	2.8	1.5	1.5
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	262.4	264.6	267.7
Funding Sources:			
1052 Oil/Hazardous Response Fund	262.4	264.6	267.7
Funding Totals	262.4	264.6	267.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
Oil Hazardous Response Fund	51370	262.4	264.6	267.7
Unrestricted Total		262.4	264.6	267.7
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0
Total Estimated Revenues		262.4	264.6	267.7

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	0.0	0.0	264.6	264.6
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	0.0	0.0	3.1	3.1
FY2010 Governor	0.0	0.0	267.7	267.7

**Spill Prevention and Response Director
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	2	2	Annual Salaries	147,761
Part-time	0	0	COLA	5,707
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	71,321
			<i>Less 2.71% Vacancy Factor</i>	(6,102)
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	218,687

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Division Director	0	0	1	0	1
Secretary	0	0	1	0	1
Totals	0	0	2	0	2